

for record, or assignment of the mortgage to the Secretary, the property was (a) undamaged by fire, flood, earthquake, tornado, or boiler explosion, and (b) as to mortgages insured or for which commitments to insure are issued on or after June 8, 1977, undamaged due to failure of the mortgagee to take action as required by § 203.377 of this chapter, or its claim shall be accompanied by a statement describing any such damage that may still exist together with a copy of the Secretary's authorization to convey the property in damaged condition. In the absence of evidence to the contrary, the mortgagee's certificate or its statement as to damage shall be accepted by the Secretary as establishing the condition of the family unit and the common areas and facilities designated for the particular unit.

[42 FR 29306, June 8, 1977]

§ 235.240 Assessment of taxes.

When a family unit is conveyed to the Secretary or a mortgage is assigned to the Secretary, the unit shall be assessed and subject to assessment for taxes pertaining only to that unit.

§ 235.245 Certificate of tax assessment.

The mortgagee shall certify, as of the date of filing for record of the deed or assignment of the mortgage to the Secretary, that the family unit is assessed and subject to assessment for taxes pertaining to that unit.

§ 235.250 Cancellation of property insurance.

The provisions of § 203.382, relating to the cancellation of hazard insurance upon filing for record of the deed to the Secretary, are incorporated by reference and shall apply to hazard insurance policies carried solely for the family unit.

Subpart C—Assistance Payments—Homes for Lower Income Families

SOURCE: 41 FR 1178, Jan. 6, 1976, unless otherwise noted.

§ 235.301 Definitions.

The definitions contained in § 235.5 shall apply to this subpart. In addition the term *assistance payment* means that portion of a homeowner's or cooperative member's monthly mortgage payment which the Secretary becomes obligated to pay under an assistance payment contract.

§ 235.305 Contract for assistance payments.

This subpart shall constitute the contract between the mortgagee and the Secretary for assistance payments pursuant to section 235(b) of the National Housing Act.

§ 235.310 Execution of assistance payment contract.

(a) *Homeowners.* The issuance of a mortgage insurance certificate pursuant to § 235.1 *et seq.* shall also constitute the execution of the assistance payment contract with respect to the mortgage being insured.

(b) *Cooperative members.* The issuance of a certificate approving an application filed on behalf of a cooperative member shall constitute the execution of the assistance payment contract with respect to member named in the certificate.

§ 235.315 Qualified homeowners.

To qualify for assistance payments, the homeowner's income at the time of application for assistance, shall be within the limitations provided in § 235.10, and the homeowner shall be a mortgagor under a mortgage insured or to be issued pursuant to subparts A and B to this part.

§ 235.320 Limitation of sales price.

To qualify for assistance payments, the homeowner shall not have paid in connection with the purchase of the property with respect to which assistance payments are to be made more than the Secretary's estimate of value of such property, nor shall the purchase price exceed 120 percent of the mortgage amount established pursuant to § 235.25 or § 235.30, whichever is applicable.